



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 17 (ending 22/04/2016)

" Trust yourself, you know more than you think you do." – Benjamin Spock

Deutsche Bank joins combined bid for €4.7b Nama property portfolio – Europe's largest investment bank Deutsche Bank has joined Goldman Sachs and CarVal, a U.S. investor in distressed assets, in bidding for a National Asset Management Agency's €4.7 billion portfolio sale. Other bidders are Lone Star and Cerberus.

Obama argues against Brexit – Barack Obama has delivered an enthusiastic rebuttal to supporters of a British exit from the EU, saying that if the UK left the 28-member bloc it would "go to the back of the queue" when it came to a U.S. trade agreement. He said it could take up to 10 years to negotiate a trade deal.

Global stock market up nearly 1% during the week – Markets moved higher during the week with the gains driven in particular by the Japanese and European stock markets. European equities climbed to a three-month high during the week. The MSCI World Index was up 0.9% from 18th to 22th April in local currency terms.

ECB keeps rates unchanged – European Central Bank President Mario Draghi kept borrowing costs at record lows, sticking to his course of ultra-loose monetary policy. He said the bank would start corporate bond purchases and a new round of cheap bank refinancing in June which should help the region's lenders.

Argentina makes successful return to bond markets – Argentina has returned to the international borrowing markets with a sale of sovereign bonds that ends 15 years of exile since its 2001 default. The country was raising up to \$15bn, but demand for the bond issue was strong and attracted orders worth \$65bn.

U.K. house prices up sharply in Q1 – Property market analyst Hometrack said the average price for homes in the 20 biggest cities was 4.2% higher than the previous quarter, the biggest quarter-to-quarter increase for 12 years. The introduction of higher stamp duty on 1st April for second homes is seen as a major reason.

The Story of the week: A photograph of a policeman, Dave Bowes, mourning a dead squirrel, which had become a fixture at the police headquarters in Omaha, U.S. was posted on Twitter and has gone viral. Police even taped off the scene and drew a chalk outline around the squirrel's body. The squirrel had been used to promote traffic safety.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 22/04)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-9.0
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	2.5
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-3.4
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	3.0
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-2.0
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-7.7
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	3.5
MSCI World	-7.6	13.1	26.2	7.7	0.2	-0.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.9
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.6
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.5
Greece	31.7	12.7	8.2	9.6	7.9	8.2
Portugal	13.4	6.9	6.1	2.7	2.5	3.3
Spain	5.1	5.4	4.1	1.6	1.7	1.6
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.78
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.44
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
U.K.	14.5	8.1	2.7	10.7	17.8	13.1 (to end of Q4)
U.S.	14.8	14.5	5.3	11.4	11.2	12.1 (to end of Q4)

*Past performance is not a reliable guide to future performance